

INDEX ATLAS

IndexAtlas Makes Capital Allocation to Gaumont SA, Klassik Radio AG and SPORTTOTAL AG

September 21, 2020 – IndexAtlas AG has allocated capital and has taken initial trading positions, in three European small cap companies, each in its own special situation due to the impact from Covid-19 and for company-specific reasons. We follow these stocks closely for many years, we are buyers at current prices and are looking for ways to increase our level of participation in each if and when the opportunity arises.

Gaumont SA, the world's oldest existing movie production business, is struggling with succession planning beyond the Seydoux family-dominated cap table and old-school leadership. We expect changes and are monitoring the stock closely, remaining open to further discussion with all the key stakeholders and creditors in this venerable French firm that is increasingly under pressure to amend its business model and cost structure in the quickly changing content production & distribution environment.

Ulrich Kubak, the CEO and majority owner of Klassik Radio AG, has completed a formidable digital transformation of the business, but is facing a demographic challenge to the classic music market and an accelerating shift of the addressable market to Asia. The Augsburg-based firm will need to address those issues quickly, and we are standing by for significant block purchases at current valuation levels and remain very supportive of Mr. Kubak's leadership and vision.

SPORTTOTAL AG, known before as Wige, had accomplished a very clever and promising adjustment of its business strategy, focusing on amateur sports and sport-tech ideas. This move had been backed by the arrival of a quality new investor in the cap table of the firm... and then Covid-19 happened. SPORTTOTAL's 1H 2020 results (to be released on September 30, 2020) might be depressing. We are the buyers at current price levels, if you sit on a large block and are tired - call us.

IndexAtlas has built speculative trading positions in each of the three stocks - as usual, we can increase the positions or exit at any time depending on the situation - let's see what the future brings, but in general Covid-19 and market circumstances make these three stocks an interesting play.